



State of Wisconsin  
Jim Doyle, Governor

Department of Agriculture, Trade and Consumer Protection  
Rod Nilsestuen, Secretary

January 5, 2010

The Honorable James Soletski, Chair  
Committee on Energy and Utilities

**Re: AB 26 relating to the contracts for commercial mobile telephone service.**

Dear Representative Soletski:

Thank you for permitting the Department of Agriculture, Trade & Consumer Protection the opportunity to submit written testimony in opposition to AB 26.

This bill, if passed, requires cell phone providers to allow "rollover" of all unused minutes of a cellular customer until 12 months after the customer first enters into a cell phone service contract or the expiration of the service contract, whichever occurs first. At first blush, this appears to be something good for consumers, but in this case, appearances are deceiving.

Consumers currently have a choice of a number of cell phone plans. Those plans either include rollover minutes or don't include rollover minutes. Given this choice, consumers can make an informed choice and decide what service amenities they value most and what, if anything, they want to pay for those amenities. Many cell phone users do not want or need rollover minutes since their basic plans have at least as many minutes included as the consumers want or need.

The department anticipates, should this bill pass, cell phone providers that currently rollover minutes will increase the price of their service. More importantly, it also believes those that do not currently provide rollover minutes will also increase their price to cover the cost of the required service. This means that cell phone users who do not want or need rollover minutes will nonetheless have to pay for them. The department believes that this is not in the best interests of consumers.

Thank you for this opportunity to comment on Assembly Bill 26.

Respectfully,

*Janet Jenkins*

Janet Jenkins  
Administrator  
Division of Trade and Consumer Protection

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Testimony of Dan Leary  
Senior Manager of Government Affairs at T-Mobile, USA  
Regarding AB 26  
Before the Assembly Committee on Energy and Utilities  
January 5, 2010

Mr. Chairman and members of the Committee,

Hello, I am Dan Leary with T-Mobile, USA. I handle government affairs at T-Mobile for the Central U.S. I am here to address AB 26. We respectfully oppose this bill for 2 primary reasons.

First, the wireless industry is one of the most competitive industries in this country. Prices for wireless service have dropped 80% since 1994, while features and functions have expanded even more dramatically. These advances have occurred in response to the demands of the market place and not government regulation.

For example, one carrier offers "rollover minutes" as required by this legislation. Others offer more minutes for less money, or special deals for frequently called numbers. Others stress that they offer better coverage or better products, while still others offer very basic prepaid phones with no contract. Consumers have a wide variety of options. If this legislation should pass, many of these options would likely be eliminated.

Second, the Telecommunications Act of 1996 specifically prohibits states from regulating wireless rates:

47 U.S.C. Section 332(c)(3)(a) states in relevant part "... no State or local government shall have any authority to regulate the entry of or the rates charged by any commercial mobile service or any private mobile service, except that this paragraph shall not prohibit a State from regulating the other terms and conditions of service."

This legislation clearly does that. If challenged in federal court, it would likely be struck down. This would be a time consuming and costly effort for both sides and ultimately the taxpayers/wireless customers would be the losers.

Therefore, once again I respectfully ask you to vote against AB 26.

**Dan Leary**

Senior Manager of Government Affairs for the Central U.S.

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